

Community Development Commission

September 14, 2011

To: Each Supervisor

From: Sean Rogan, Executive Director



**SUBJECT: ADVANCE NOTIFICATION OF INTENT TO ENTER INTO SOLE
SOURCE AGREEMENT WITH DREAM AMERICA, INC.**

In accordance with Board policy requiring notification of prospective large sole source contracts, this letter is to advise you that the Community Development Commission (Commission) intends to seek Board approval in October 2011 to enter into a Development Consultant Agreement with Dream America, Inc., for the purpose of securing entitlements for nine Commission-owned properties.

On February 11, 2008, the Commission issued a Request for Proposals to construct for-sale homeownership units at 12 non-contiguous parcels. Three proposals were submitted by the March 28, 2008 deadline; following evaluation and scoring under technical review and design categories, Mayans Development, Inc. (Mayans) was selected.

On October 7, 2008, your Board approved a one-year Exclusive Right to Negotiate Agreement (ERN) between the Commission and Mayans. Due to the housing crisis and prolonged unfavorable market conditions, the project did not proceed, and the ERN has since expired.

Currently, some areas of the County show signs of housing market stability, and it is recommended that the most prudent step at this time is to proceed only with the entitlement of nine of the sites, which is expected to take approximately 18-24 months. Dream America, Inc., the non-profit affiliate of Mayans is the most qualified to provide entitlement services for the sites. Mayans has voluntarily completed preliminary title work, infrastructure, engineering, and land use studies on the sites, and demonstrated a thorough understanding of the County entitlement process. Engaging another entity for entitlement work will result in both unnecessary delays and duplicative costs. Thus, the Commission is prepared to recommend the award of a Development Consultant Agreement to Dream America, Inc., using \$1,226,170 in City of Industry funds, for the entitlements of these properties.

If you have any questions, please contact Lois Starr, Director of Housing Development and Preservation, at (323) 890-7230 or lois.starr@lacdc.org.

SR:BB:jr

c: Board Deputies
Chief Executive Officer
County Counsel